OIPE JC125 JUN 27 2003 PATENT & TRADEMARK OFFICE

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PTO/SB/21 (05-03)
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TRANSMITTAL FORM

(to be used for all correspondence after initial filing)

Application Number	09/713,603
Filing Date	November 15, 2000
First Named Inventor	Coyle, Adam
Art Unit	3624
Examiner Name	Akers, Geoffrey R
Total Number of Pages in This Submission	
Attorney Docket Number	020375-021300US

ENCLOSURES *(Check all that apply)*

- ☒ Fee Transmittal Form
  - ☐ Fee Attached
- ☐ Amendment/Reply
  - ☐ After Final
  - ☐ Affidavits/declaration(s)
- ☐ Extension of Time Request
- ☐ Express Abandonment Request
- ☐ Information Disclosure Statement
- ☐ Certified Copy of Priority Document(s)
- ☐ Response to Missing Parts/ Incomplete Application
  - ☐ Response to Missing Parts under 37 CFR 1.52 or 1.53
- ☐ Drawing(s)
- ☐ Licensing-related Papers
- ☐ Petition
- ☐ Petition to Convert to a Provisional Application
- ☐ Power of Attorney, Revocation Change of Correspondence Address
- ☐ Terminal Disclaimer
- ☐ Request for Refund
- ☐ CD, Number of CD(s)
- ☐ After Allowance Communication to Group
- ☐ Appeal Communication to Board of Appeals and Interferences
- ☒ Appeal Communication to Group (**Appeal Notice, Brief, Reply Brief**)
- ☐ Proprietary Information
- ☐ Status Letter
- ☒ Other Enclosure(s) *(please identify below)*: Return Postcard

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Firm or Individual	Townsend and Townsend and Crew LLP Patrick M. Boucher Reg. No. 44,037
Signature	Patrick Boucher
Date	June 27, 2003

CERTIFICATE OF MAILING

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FEE TRANSMITTAL for FY 2003

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☐ Applicant claims small entity status. See 37 CFR 1.27

TOTAL AMOUNT OF PAYMENT ($) **320**

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Complete If Known	
Application Number	09/713,603
Filing Date	November 15, 2000
First Named Inventor	Coyle, Adam
Examiner Name	Akers, Geoffrey R
Art Unit	3624
Attorney Docket No.	020375-021300US

METHOD OF PAYMENT *(check all that apply)*

☐ Check ☐ Credit Card ☐ MoneyOrder ☐ Other ☐ None

☒ Deposit Account:

Deposit Account Number: 20-1430

Deposit Account Name: Townsend and Townsend and Crew LLP

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FEE CALCULATION

1. BASIC FILING FEE

Large Entity Fee Code	Large Entity Fee ($)	Small Entity Fee Code	Small Entity Fee ($)	Fee Description	Fee Paid
1001	750	2001	375	Utility filing fee	
1002	330	2002	165	Design filing fee	
1003	520	2003	260	Plant filing fee	
1004	750	2004	375	Reissue filing fee	
1005	160	2005	80	Provisional filing fee	

SUBTOTAL (1) ($)

2. EXTRA CLAIM FEES FOR UTILITY AND REISSUE

			Extra Claims	Fees from below	Fee Paid
Total Claims		-** =		X =	
Independent Claims		-** =		X =	
Multiple Dependent				X =	

Large Entity Fee Code	Large Entity Fee ($)	Small Entity Fee Code	Small Entity Fee ($)	Fee Description
1202	18	2202	9	Claims in excess of 20
1201	84	2201	42	Independent claims in excess of 3
1203	280	2203	140	Multiple dependent claim, if not paid
1204	84	2204	42	** Reissue independent claims over original patent
1205	18	2205	9	** Reissue claims in excess of 20 and over original patent

SUBTOTAL (2) ($)

**or number previously paid, if greater; For Reissues, see above

FEE CALCULATION (continued)

3. ADDITIONAL FEES

Large Entity Fee Code	Large Entity Fee ($)	Small Entity Fee Code	Small Entity Fee ($)	Fee Description	Fee Paid
1051	130	2051	65	Surcharge - late filing fee or oath	
1052	50	2052	25	Surcharge - late provisional filing fee or cover sheet.	
1053	130	1053	130	Non-English specification	
1812	2,520	1812	2,520	For filing a request for reexamination	
1804	920*	1804	920*	Requesting publication of SIR prior to Examiner action	
1805	1,840*	1805	1,840*	Requesting publication of SIR after Examiner action	
1251	110	2251	55	Extension for reply within first month	
1252	410	2252	205	Extension for reply within second month	
1253	930	2253	465	Extension for reply within third month	
1254	1,450	2254	725	Extension for reply within fourth month	
1255	1,970	2255	985	Extension for reply within fifth month	
1401	320	2401	160	Notice of Appeal	
1402	320	2402	160	Filing a brief in support of an appeal	320
1403	280	2403	140	Request for oral hearing	
1451	1,510	1451	1,510	Petition to institute a public use proceeding	
1452	110	2452	55	Petition to revive – unavoidable	
1453	1,300	2453	650	Petition to revive – unintentional	
1501	1,300	2501	650	Utility issue fee (or reissue)	
1502	470	2502	235	Design issue fee	
1503	630	2503	315	Plant issue fee	
1460	130	1460	130	Petitions to the Commissioner	
1807	50	1807	50	Petitions related to provisional applications	
1806	180	1806	180	Submission of Information Disclosure Stmt	
8021	40	8021	40	Recording each patent assignment per property (times number of properties)	
1809	750	2809	375	Filing a submission after final rejection (37 CFR § 1.129(a))	
1810	750	2810	375	For each additional invention to be examined (37 CFR § 1.129(b))	
1801	750	2801	375	Request for Continued Examination (RCE)	
1802	900	1802	900	Request for expedited examination of a design application	

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*Reduced by Basic Filing Fee Paid **SUBTOTAL (3)** ($)320

JUL 08 2003 GROUP 3600

SUBMITTED BY				Complete *(if applicable)*	
Name (Print/Type)	Patrick M. Boucher	*Registration No. (Attorney/Agent)*	44,037	*Telephone*	303-571-4000
Signature				*Date*	June 27, 2003

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JUN 27 2003
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2 appeal Brief

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PATENT
Attorney Docket No.: 020375-021300US

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By Kris L. McNeill

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:	Examiner: Akers, Geoffrey R
Adam Coyle	Technology Center/Art Unit: 3624
Application No.: 09/713,603	APPELLANT BRIEF UNDER 37 CFR §1.192
Filed: November 15, 2000	
For: RELOADABLE DEBIT CARD SYSTEM AND METHOD	

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Appellant offers this Brief further to the Notice of Appeal mailed on May 1, 2003. This Brief is submitted in triplicate as required by 37 CFR §1.192(a).

1. Real Party in Interest

The real party in interest is First Data Corporation.

2. Related Appeals and Interferences

No other appeals or interferences are known that will directly affect, are directly affected by, or have a bearing on the Board decision in this appeal.

3. Status of Claims

Claims 1, 3, 5 – 12, 14 – 19, and 21 – 23 are currently pending in the application. All pending claims stand finally rejected pursuant to an Office Action mailed February 4, 2003 (paper no. 8, hereinafter "the Final Office Action"). Original Claims 2, 4, 13, and 20 were canceled; original Claims 1, 3, 5 – 12, and 14 – 19 were amended; and new Claims 21 – 23 were added by an Amendment filed January 10, 2003.

The rejections of pending Claims 1, 3, 5 – 12, 14 – 19, and 21 – 23 are believed to be improper and are the subject of this appeal. Each of these claims has been finally rejected. A copy of the claims as rejected is attached as an Appendix.

4. Status of Amendments

No amendments have been filed subsequent to the final rejection mailed February 4, 2003.

5. Summary of the Invention

In one embodiment, the invention relates to methods and systems using stored-value cards, which may be used in transactions for the purchase of goods and/or services, and which may be reloaded with value (Application, p. 3, ll. 10 – 11). One concern that has traditionally existed with all types transaction systems is the need to address the potential for theft by providing some type of security mechanism. In the context of traditional credit cards, there are various mechanisms in place to ensure proper cardholder identification, with the system

structured so that a cardholder is exposed only to minimal or no liability in the event the card is stolen and misused (*id.*, p. 1, ll. 13 – 16).

Such security has traditionally not been available for stored-value or prepaid cards (sometimes referred to in the application as "debit cards," *id.*, p. 2, l. 13). In particular, such cards have traditionally been equipped in one of two ways. A first type of card is exemplified by the paradigm of prepaid telephone cards in which the use of value associated with the card is limited, such as to purchasing telephone time (*id.*, p. 2, l. 10 – 12). One problem with such cards is that the restrictions prevent unused value in the card from being recovered so it is effectively wasted if the cardholder chooses no longer to use the card. The other type of card is exemplified by a cash card that allows cash to be obtained from prefunded accounts (*id.*, p. 2, ll. 14 – 19). While it is possible to redeem unused value from such cards in the form of cash, such redemption can be performed by any party, including a thief of the card.

Embodiments of the invention overcome this deficiency in the prior art by providing stored-value cards that simultaneously prevent theft of the stored value but also permit its redemption by a legitimate party. In particular, a mechanism is provided by which a balance of a subaccount associated with a card may be redeemed in the form of a negotiable instrument payable to a holder of the subaccount (*id.*, p. 10, ll. 10 – 12). By limiting payment in this form, particularly to a holder of the subaccount, theft is deterred since a thief of the card could, at best, only acquire a negotiable instrument payable to a legitimate party and could not himself redeem the value for cash (*id.*, p. 7, ll. 17 – 18).

An arrangement that uses such stored-value cards is provided so that they may be used in commercial transactions. For example, a card-issuing institution may associate each of the cards it issues with one of multiple subaccounts, and then provide the cards for sale to individual customers who become the holders of respective subaccounts (*id.*, p. 6, l. 18 – p. 7, l. 2). Each card includes an identifier for its subaccount, perhaps covered with a concealing strip (*id.*, p. 7, ll. 4 – 5), and perhaps encoded on a magnetic strip (*id.*, p. 7, l. 8) so that it can be read and its associated value reduce in accordance with a purchase cost when the card is presented during a transaction (*id.*, p. 7, ll. 8 – 13). In some instances, the value may be reloaded by the subaccount holder by adding to its incremental value when the subaccount holder provides

additional funds to be allocated to the subaccount during a transaction (*id.*, p. 10, ll. 7 – 8). When the subaccount holder wishes to redeem unused value, the card is presented and the value is provided in the form of a negotiable instrument, such as a money order, cashier's check, etc. specifically payable to the subaccount holder. This instrument may then be used by the subaccount holder to convert that value to cash (*id.*, p. 10, ll. 10 – 13).

6. Issue

Whether under 35 U.S.C. §103(a) Claims 1, 3, 5 – 12, 14 – 19, and 21 – 23 are unpatentable over U.S. Pat. No. 6,434,238 ("Chaum") in view of U.S. Pat. No. 6,000,608 ("Dorf") and U.S. Pat. No. 6,108,641 ("Kenna"). Section 6 of the Final Office Action describes the Examiner's position on this issue.[1]

7. Grouping of the Claims

For purposes of this appeal, all the pending claims, i.e. Claims 1, 3, 5 – 12, 14 – 19, and 21 – 23 are considered as a single group.

Appellant reserves the right outside the context of this appeal to argue independent patentability of the grouped claims.

8. Argument

All of the claims stand rejected under 35 U.S.C. §103(a) as unpatentable over Chaum in view of Dorf and Kenna. For a rejection to be maintained under 35 U.S.C. §103, the Examiner is charged with factually supporting a *prima facie* case of obviousness. Manual of Patent Examining Procedure, Eighth Edition, First Revision, February, 2003 (hereinafter

[1] Section 6 of the Final Office Action also makes reference to "Atkins," which the Examiner clarified in a telephone conversation was an erroneous citation.

"MPEP") 2142. Such a *prima facie* case requires, *inter alia*, that all limitations of the claims be taught or suggested by the cited reference(s) and that there be some suggestion or motivation to combine or modify the reference teachings as the Examiner proposes. MPEP 2143. The rejections are deficient in at least both these respects.

The two pending independent claims, i.e. Claims 1 and 10, respectively recite a stored-value card system and a method of purchasing goods and services in transactions utilizing value-added cards. Both independent claims recite, in somewhat different form, limitations that require redeeming a balance of a subaccount associated with a card in the form of a negotiable instrument payable to a holder of the sub-account. This limitation is not taught or suggested by any of the references relied on in the Final Office Action.

Chaum is directed to a system that uses "smart" cards, i.e. cards having embedded chips, that may be used in credit or debit transactions (*e.g.*, Chaum, Col. 5, ll. 10 – 47). Dorf is directed to a card system that may be used for different types of transactions, including as a prepaid phone card, a debit card, a loyalty card, and a medical information card (*e.g.*, Dorf, abstract). That neither of these references teaches or suggests a reloadable prepaid card whose balance may be redeemed in the form of a negotiable instrument is not in dispute. The Examiner's initial position that a money order is merely one of any type of goods/services that may be purchased with a card (*see* First Office Action mailed October 29, 2002, p. 2) has implicitly been recanted by the current reliance on Kenna for that limitation. Not only do Chaum and Dorf both fail to make any explicit disclosure of the purchase of a negotiable instrument, but there is certainly nothing in them to require that it be payable to the subaccount holder, an aspect of the claim limitations that have significant advantages as discussed above.

Kenna also fails to disclose this limitation. Kenna is directed to a financial system that manages a plurality of subaccounts, at least one of which is a medical savings account (Kenna, Col. 3, ll. 53 – 56). In referring to Kenna, the Final Office Action points to a number of figures and the following passages, notably none of which disclose redeeming a balance of a subaccount associated with a card in the form of a negotiable instrument payable to a holder of the sub-account:

> First, briefly, the multiple subaccount section of the present invention is directed to a data processing system for managing a plurality of composite accounts for financial cash management, wherein each composite account has a master account and at least one subaccount that allows an individual to establish and manage their (and the household's) complete portfolio of cash assets with one concise, cost effective account. For an individual, this system, described more fully below, has a single master account, with a variety of subaccounts directed to a specific goal such as monthly household expenses, long term investment strategies and other financial goals. The database management system has a central processing unit ("CPU") for information such as name, address and account information for each individual, with a data processing system, known as the Link System to recognize that an account (either a master account or a subaccount) is part of the composite account for the individual, a data processing means for receiving an individual's request on either a real time or periodic basis for the transfer of funds between the linked accounts and means for generating, displaying and outputting reports.
> (Kenna, Col. 4, l. 63 – Col. 5, l. 18).

> The above-described composite account arrangement has thus been shown to provide an improved securities brokerage/cash management system which supervises and integrates a brokerage account in which a Master Account with one or more linked subaccounts is used to manage an individuals [*sic*] funds which accounts (master and subaccounts) can transfer funds to and from, providing greater flexibility for the individual, while providing earned income for funds not invested or required to satisfy expenditures.
> (*Id.*, Col. 8, ll. 35 – 43).

Indeed, these cited excerpts merely describe a sub-account structure used by Kenna and the ability to transfer funds within that subaccount structure. They disclose neither the association of the sub-accounts with cards nor the redemption of balances within the sub-accounts in the form of negotiable instruments.

The Examiner even also appears to concede that there is no explicit disclosure of this limitation in Kenna with his remark that the subaccounts taught by Kenna "may" deliver negotiable instruments:

> Kenna teaches an integrated nested account financial system with subaccounts including those for investments which may deliver negotiable instruments (retirement accounts, financial accounts) to the subaccount holder ...
> (Office Action, p. 3).

In a response to the Final Office Action that was refused entry,[2] it was noted that in light of the Examiner's concession that there is no explicit teaching of the claim limitation in Kenna, it

[2] The response to the Final Office Action was refused entry on the basis that "[i]t does not add materially to applicant's original argument." Appellant fails to understand this basis for refusing entry of the response since it primarily addressed the disclosures of Kenna, a reference that had only newly been cited, had not previously been

appeared that inherency was being relied upon. Such reliance was traversed and Appellant now reiterates that inherency requires not merely that a certain result or characteristic "may" occur or be present in the prior art, but instead that it must "necessarily be present in the thing described in the reference." MPEP 2112, *citing In re Robertson*, 49 USPQ2d 1949, 1950–51 (Fed. Cir. 1999). There is nothing whatsoever in Kenna to indicate that a balance of its subaccounts must be redeemed in the form of a negotiable instrument payable to a holder of the sub-account. Since this limitation is not disclosed explicitly or inherently, no *prima facie* case has been established.

In addition, there is no suggestion or motivation to combine the reference teachings. Such a suggestion or motivation must be found "either in the references themselves or in the knowledge generally available to one of ordinary skill in the art." MPEP 2142. The Final Office Action cites the following language as providing a motivation to combine Chaum and Dorf with Kenna (Final Office Action, pp. 3 – 4):

> It is an object of the present invention to provide an improved brokerage/cash management system. It is another object of the present invention to enable individuals to easily and cost effectively manage their assets and have a concise, clear understanding of the value of their assets. It is a further object of the present invention to enable an individual to delineate short and long term assets into a composite account with a single master account and a number of subaccounts which are linked with the composite account. It is another feature of the present invention to allow individuals in the same household or family to create a single composite account for all their funds.
> (Kenna, Col. 3, ll. 31 – 42).

The Examiner's reliance on this passage as providing a motivation to combine the teachings of Kenna with those of Chaum and Dorf is completely misplaced. In fact, while Chaum and Dorf are both concerned with card systems, the cited passage emphasizes that Kenna has nothing to do with such systems — it is instead concerned with providing a household cash-management system. Rather than show a motivation to combine, the cited passage does precisely the opposite by emphasizing objectives that are completely different from those of Chaum and Dorf.

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considered during the prosecution of the application, and was certainly not addressed in any original argument presented by Appellant.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

Patrick M. Boucher
Reg. No. 44,037

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DE 7107297 v1

APPENDIX

The claims pending in the application are as follows:

1. (Previously Amended) A stored-value card system, which comprises:

a card issued by a card issuing institution;

a card identifier associated with said card and assigned thereto by the issuing institution;

a reloadable value associated with said card and credited to the card by the issuing institution; and

a sub-account associated with said card and identified by the card identifier,

said card being usable for:

making a purchase by presenting said card at a point-of-sale establishment and debiting a cost of the purchase from the said sub-account; and

redeeming a balance of the sub-account in the form of a negotiable instrument payable to a holder of the sub-account.

2. (Canceled).

3. (Previously Amended) The system according to claim 1 wherein said negotiable instrument comprises a money order.

4. (Canceled).

5. (Previously Amended) The system according to claim 1 wherein said card values are not redeemable for cash.

6. (Previously Amended) The system according to claim 1 wherein the card identifier is printed on the card and selectively concealed by a removable concealing strip attached to the card.

7. (Previously Amended) The system according to claim 1 wherein said card includes a magnetic strip, the card identifier being encoded on the magnetic strip.

8. (Previously Amended) The system according to claim 1 wherein said card identifier is adapted to be read by a reader at the point-of-sale retail establishment.

9. (Previously Amended) The system according to claim 1 wherein said reader is in communication with a network comprising multiple point-of-sale establishments which accept said card for the purchase of goods and services.

10. (Previously Amended) A method of purchasing goods and services in transactions utilizing value-added cards, which method comprises the steps of:

issuing a plurality of said cards to a point-of-sale retail establishment;

pre-assigning sub-account identifiers to said cards;

crediting the sub-accounts associated with said cards with initial reloadable values;

debiting a respective sub-account in response to a purchase made with a respective one of said cards at a merchant; and

issuing an instruction to generate a negotiable instrument payable of a balance of the respective sub-account to a holder of the respective sub-account in response to a request to redeem the respective one of the cards by said holder.

11. (Previously Amended) The method of claim 10, which includes the additional step of reloading said respective one of the cards in response to a purchase of additional values by said holder, by crediting said respective sub-account.

12. (Previously Amended) The method according to claim 11, wherein said initial reloadable values correspond to predetermined amounts.

13. (Canceled).

14. (Previously Amended) The method of claim 10, wherein the negotiable instrument comprises a money order.

15. (Previously Amended) The method according to claim 10, wherein the respective one of said cards includes a numerical identifier corresponding to said respective sub-account.

16. (Previously Amended) The method according to claim 10, wherein the numerical identifier is concealed prior to delivery of the respective one of the cards to said holder.

17. (Previously Amended) The method of claim 10, which includes the additional steps of:

receiving a transaction authorization request, including an amount of a transaction and the sub-account identifier corresponding to the respective sub-account; and

authorizing the transaction if sufficient funds are available in the respective sub-account.

18. (Previously Amended) The method of claim 17, wherein the transaction authorization request was generated by a first computational device at the merchant and received by a second computational device linked to the first computational device.

19. (Previously Amended) The method of claim 10, wherein the respective one of said cards includes a magnetic strip for encoding the sub-account identifier for the respective sub-account.

20. (Canceled)

21. (Previously added) The method according to claim 11, wherein said additional values correspond to predetermined incremental amounts.

22. (Previously added) The method of claim 19, which includes the additional steps of:

receiving a transaction authorization request, including an amount of a transaction and the sub-account identifier; and

authorizing the transaction if sufficient funds are available in the respective sub-account.

23. (Previously added) The method of claim 22, wherein the transaction authorization request was generated by a first computational device adapted to read the sub-account identifier from the magnetic strip, and received by a second computational device linked to the first computational device.